

SENATE BILL No. 441

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-7.9; IC 12-15-35.5-8; IC 27-8-31; IC 27-13-9-6.

Synopsis: Insurance prescription drug disclosure. Requires group health coverage programs for public employees, the office of Medicaid policy and planning, accident and sickness insurers, and health maintenance organizations that use a multi-tier copayment policy for prescription drugs to maintain on an Internet web site: (1) a list of the prescription drugs; (2) the tier that applies to each prescription drug and any alternative to the prescription drug that is in the prescription drug category entered by the consumer; (3) the preferred drug in the drug category entered by the consumer; and (4) a definition of "prior authorization" and the policy concerning prior authorization.

Effective: July 1, 2003.

Riegsecker

January 21, 2003, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 441

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-7.9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 7.9. (a) As used in this section, "health benefit plan"**
4 **means a:**

5 (1) **self-insurance program established under section 7(b) of**
6 **this chapter to provide group health coverage; or**

7 (2) **contract with a prepaid health care delivery plan that is**
8 **entered into or renewed under section 7(c) of this chapter.**

9 (b) **As used in this section, "multi-tier copayment" refers to a**
10 **prescription drug payment method that sets a specific copayment**
11 **for each prescription drug covered under a health benefit plan.**

12 (c) **The administrator of a health benefit plan that implements**
13 **a multi-tier copayment policy shall maintain the following**
14 **information on the health benefit plan's Internet web site:**

15 (1) **A list of prescription drugs covered under the health**
16 **benefit plan.**

17 (2) **The tier that applies to each prescription drug listed under**



subdivision (1) and any alternative to the prescription drug that is in the prescription drug category entered by the consumer.

(3) The preferred drug in the drug category entered by the consumer.

(4) A definition of "prior authorization" and the health benefit plan's policy concerning prior authorization.

SECTION 2. IC 12-15-35.5-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. (a) The office shall maintain the following information on the office's Internet web site for the office's non-managed care program:**

(1) A list of the prescription drugs covered under the program.

(2) The tier that applies to each prescription drug listed under subdivision (1) and any alternative to the prescription drug that is in the prescription drug category entered by the consumer.

(3) The preferred drug in the drug category entered by the consumer.

(4) A definition of "prior authorization" and the office's policy concerning prior authorization.

(b) A managed care organization that:

(1) provides coverage and reimbursement for prescription drugs under the Medicaid program; and

(2) requires a covered individual to pay a copayment for a prescription drug;

shall provide the office with a list of the prescription drugs covered under the program and the copayment that applies to each prescription drug. The office shall maintain the information on the office's Internet web site.

SECTION 3. IC 27-8-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 31. Accident and Sickness—Insurer Requirements

Sec. 1. As used in this chapter, "accident and sickness insurance policy" means a policy that:

(1) provides the kind of insurance described in Class 1(b) or Class 2(a) of IC 27-1-5-1; and

(2) includes a prescription drug benefit.

Sec. 2. As used in this chapter, "accident and sickness insurer" means an insurer that issues an accident and sickness insurance

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policy.

Sec. 3. As used in this chapter, "multi-tier copayment policy" refers to a prescription drug payment method that sets a specific copayment for each prescription drug covered under an accident and sickness insurance policy.

Sec. 4. (a) An accident and sickness insurer that implements a multi-tier copayment policy shall maintain the following information on the accident and sickness insurer's Internet web site:

(1) A list of prescription drugs covered under the accident and sickness insurance policy.

(2) The tier that applies to each prescription drug listed under subdivision (1) and any alternative to the prescription drug that is in the prescription drug category entered by the consumer.

(3) The preferred drug in the drug category entered by the consumer.

(4) A definition of "prior authorization" and the insurer's policy concerning prior authorization.

(b) If an accident and sickness insurer does not have an Internet web site, the insurer shall develop an Internet web site and include the information described in subsection (a).

SECTION 4. IC 27-13-9-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) This section applies to a health maintenance organization that provides coverage for prescription drugs.

(b) As used in this section, "multi-tier copayment policy" refers to a prescription drug payment method that sets a specific copayment for each prescription drug covered under a group contract or an individual contract.

(c) A health maintenance organization that implements a multi-tier copayment policy shall maintain the following information on the health maintenance organization's Internet web site:

(1) A list of prescription drugs covered under the contract.

(2) The tier that applies to each prescription drug listed under subdivision (1) and any alternative to the prescription drug that is in the prescription drug category entered by the consumer.

(3) The preferred drug in the drug category entered by the consumer.

(4) A definition of "prior authorization" and the health

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1 maintenance organization's policy concerning prior
2 authorization.

3 (d) If the health maintenance organization does not have an
4 Internet web site, the health maintenance organization shall
5 develop an Internet web site and include the information described
6 in subsection (c).

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